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www.calpers.ca.gov

Date: December 8, 2006
Reference No.:
Circular Letter No.: 310-081-06
Distribution: I, IIA, IV, V, VI, X, XII

Special:

Circular Letter

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND
OTHER INTERESTED PARTIES

SUBJECT: AMENDED MEETING NOTICE OF THE CALPERS BOARD OF
ADMINISTRATION, ITS COMMITTEES AND ADVISORY PANELS

Circular Letter No. 310-080-06, dated December 7, 2006, is amended to include an additional closed session item.

Investment Committee

The December 18, 2006 Investment Committee meeting agenda is amended to add an additional closed session item as follows:

6.d. *Corporate Governance: Options Backdating – Proxy Voting*

The amended agenda is attached.

All other information contained in Circular Letter No. 310-080-06, dated December 7, 2006, remains the same. The meeting information is also available on the CalPERS website at www.calpers.ca.gov.

FRED BUENROSTRO
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

December 18, 2006

8:30 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Charles Valdes, Chair
George Diehr, Vice Chair
Philip Angelides
Marjorie Berte
Robert F. Carlson
Rob Feckner
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly

CLOSED SESSION 8:30 a.m.
Chief Investment Officer's Briefing on Market and Personnel Issues
(Government Code sections 11126(a)(1) and (c)(16))

OPEN SESSION 9:00 a.m.

CLOSED SESSION Upon Adjournment or Recess of Open Session
(Government Code sections 11126(c)(16) and 11126(e))

**AMENDED
AGENDA**

OPEN SESSION

1. Call to Order and Roll Call
 2. Approval of the November 13, 2006 Open Session Minutes
- Action

Information	3. Total Fund
	a. CalPERS Total Fund Quarterly Report
Information	4. Real Estate
Information	a. R Street Subcommittee Report
Information	b. Presentation of LEED Gold Award by U.S. Green Building Council
Information	c. Responsible Contractor Program Update
Information	5. Alternative Investment Management (AIM) Program
	6. Global Fixed Income
Action	a. Currency Overlay Managers Annual Review
Action	b. Global Fixed Income Consolidated Delegation
Action	c. Member Home Loan Program Master Services RFP
	7. Global Equity
Information	a. Manager Development Program Manager Graduation
Action	b. Selection of U.S. Equity Long/Short Managers for Spring-Fed Pool
Action	c. Risk Managed Absolute Return Strategy Delegation Modification
Action	d. Permissible Equity Markets Policy
Information	e. Corporate Governance Executive Compensation Strategic Plan Update
Information	f. Corporate Governance Update
	1) Proxy Access
	8. Supplemental Savings Program
Action	a. Extension to Supplemental Savings Program Contract with CitiStreet
	9. Legislation
Action	a. State Legislative Proposal: Supplemental Contributions Program – Employer Contributions
Consent	10. Policy Subcommittee Report
	a. Total Fund Policies
	1) Adoption of Annuitants' Healthcare Coverage Fund
	2) Adoption of Commodities Program
	11. Chief Investment Officer's/Assistant Executive Officer's Report
Consent	a. Consolidated Investment Activity Report
Information	b. Assistant Executive Officer's Status Report
Information	c. Consultant Conflict of Interest Protocol Update
Information	12. Draft Agenda for February 20, 2007
	13. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AMENDED
AGENDA

CLOSED SESSION Upon Adjournment or Recess of Open Session
(Government Code section 11126(c)(16))
(Government Code section 11126(e) [Item 3a only])

- | | |
|--------------------|---|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the November 13, 2006 Closed Session Minutes |
| | 3. Real Estate |
| Information | a. R Street Subcommittee Report – Potential Litigation and Settlement – Headquarters Building |
| Information | b. Towers Project Update |
| | 4. Alternative Investment Management (AIM) Program |
| Information | a. Strategic Review Implementation Update |
| | 5. Global Fixed Income |
| Information | a. External Manager Update |
| | 6. Global Equity |
| Information | a. External Manager Update |
| Information | b. Corporate Governance Executive Compensation Update |
| Information | c. Corporate Governance: Shareowner Proxy Nominations |
| <u>Information</u> | d. <u>Corporate Governance: Options Backdating – Proxy Voting</u> |
| | 7. Chief Investment Officer's/Assistant Executive Officer's Report |
| Information | a. Status of Action Items Not Yet Reported |
| Consent | 8. Activity Reports |
| | a. Alternative Investment Management Program |
| | b. Risk Managed Absolute Return Strategies Program |
| | c. Public Markets |



Circular Letter

Date: December 7, 2006

California Public Employees' Retirement System
P.O. Box 942701
Sacramento, CA 94229-2701
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Telecommunications Device for the Deaf
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Reference No.:

Circular Letter No.: 310-080-06

Distribution: I, IIA, IV, V, VI, X, XII

Special:

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS
AND OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION,
ITS COMMITTEES AND ADVISORY PANELS

The CalPERS Board of Administration, its Committees and Advisory Panels are scheduled to meet on the following days in December. All meetings will be held in public session unless otherwise noted.

Investment Committee

Date and Time: Monday, December 18, 2006, 8:30 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16).

Investment Committee

Date and Time: Monday, December 18, 2006, 9:00 a.m. or upon adjournment or recessing of the preceding Investment Committee closed session, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to consider investment matters pursuant to Government Code sections 11126(c)(16) and a potential litigation matter pursuant to section 11126(e).

Benefits and Program Administration Committee

Date and Time: Tuesday, December 19, 2006, 9:00 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Health Benefits Committee

Date and Time: Tuesday, December 19, 2006, 9:30 a.m. or upon adjournment or recessing of the Benefits and Program Administration Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Finance Committee

Date and Time: Tuesday, December 19, 2006, 10:00 a.m. or upon adjournment or recessing of the Health Benefits Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Wednesday, December 20, 2006, 8:00 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Board will meet in closed session to discuss personnel matters pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Wednesday, December 20 2006, 9:00 a.m. or upon adjournment or recessing of the closed session of the Board of Administration, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at www.calpers.ca.gov. Questions pertaining to the meetings in December may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

December 18, 2006

8:30 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Charles Valdes, Chair
George Diehr, Vice Chair
Philip Angelides
Marjorie Berte
Robert F. Carlson
Rob Feckner
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly

CLOSED SESSION 8:30 a.m.
Chief Investment Officer's Briefing on Market and Personnel Issues
(Government Code sections 11126(a)(1) and (c)(16))

OPEN SESSION 9:00 a.m.

CLOSED SESSION Upon Adjournment or Recess of Open Session
(Government Code sections 11126(c)(16) and 11126(e))

AGENDA

OPEN SESSION

1. Call to Order and Roll Call
- Action 2. Approval of the November 13, 2006 Open Session Minutes

- | | |
|-------------|--|
| Information | 3. Total Fund |
| | a. CalPERS Total Fund Quarterly Report |
| Information | 4. Real Estate |
| Information | a. R Street Subcommittee Report |
| Information | b. Presentation of LEED Gold Award by U.S. Green Building Council |
| | c. Responsible Contractor Program Update |
| Information | 5. Alternative Investment Management (AIM) Program |
| | 6. Global Fixed Income |
| Action | a. Currency Overlay Managers Annual Review |
| Action | b. Global Fixed Income Consolidated Delegation |
| Action | c. Member Home Loan Program Master Services RFP |
| | 7. Global Equity |
| Information | a. Manager Development Program Manager Graduation |
| Action | b. Selection of U.S. Equity Long/Short Managers for Spring-Fed Pool |
| Action | c. Risk Managed Absolute Return Strategy Delegation Modification |
| Action | d. Permissible Equity Markets Policy |
| Information | e. Corporate Governance Executive Compensation Strategic Plan Update |
| Information | f. Corporate Governance Update |
| | 1) Proxy Access |
| | 8. Supplemental Savings Program |
| Action | a. Extension to Supplemental Savings Program Contract with CitiStreet |
| | 9. Legislation |
| Action | a. State Legislative Proposal: Supplemental Contributions Program – Employer Contributions |
| Consent | 10. Policy Subcommittee Report |
| | a. Total Fund Policies |
| | 1) Adoption of Annuitants' Healthcare Coverage Fund |
| | 2) Adoption of Commodities Program |
| | 11. Chief Investment Officer's/Assistant Executive Officer's Report |
| Consent | a. Consolidated Investment Activity Report |
| Information | b. Assistant Executive Officer's Status Report |
| Information | c. Consultant Conflict of Interest Protocol Update |
| Information | 12. Draft Agenda for February 20, 2007 |
| | 13. Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16)) (Government Code section 11126(e) [Item 3a only])

- | | |
|-------------|---|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the November 13, 2006 Closed Session Minutes |
| | 3. Real Estate |
| Information | a. R Street Subcommittee Report – Potential Litigation and Settlement – Headquarters Building |
| Information | b. Towers Project Update |
| | 4. Alternative Investment Management (AIM) Program |
| Information | a. Strategic Review Implementation Update |
| | 5. Global Fixed Income |
| Information | a. External Manager Update |
| | 6. Global Equity |
| Information | a. External Manager Update |
| Information | b. Corporate Governance Executive Compensation Update |
| | c. Corporate Governance: Shareowner Proxy Nominations |
| Information | |
| | 7. Chief Investment Officer's/Assistant Executive Officer's Report |
| Information | a. Status of Action Items Not Yet Reported |
| | |
| Consent | 8. Activity Reports |
| | a. Alternative Investment Management Program |
| | b. Risk Managed Absolute Return Strategies Program |
| | c. Public Markets |

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

December 19, 2006

9:00 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Robert F. Carlson
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Maeley L. Tom
Steve Westly

AGENDA

- | | | |
|---------------------------|----|---|
| | 1. | Call to Order and Roll Call |
| | 2. | Approval of the November 14, 2006 Benefits and Program Administration Committee Meeting Minutes |
| Action/Danny Brown | 3. | State Legislative Proposal: Technical Amendments to Government Code |
| Information/Peter Mixon | 4. | Update on CalSTRS Conflict of Interest and Disclosure Proposals |
| Information/Ron Seeling | 5. | Chief Actuary Report |
| Information/Kathie Vaughn | 6. | Assistant Executive Officer Report |
| Information/Kathie Vaughn | 7. | Draft Agenda for February 21, 2007 Benefits and Program Administration Committee Meeting |
| | 8. | Public Comment |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

FINANCE COMMITTEE

December 19, 2006

10:00 a.m.

**or Upon Adjournment or Recess of the
Health Benefits Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Robert F. Carlson, Chair
Steve Westly, Vice Chair
Philip Angelides
Marjorie Berte
Tony Oliveira
Kurato Shimada
Charles Valdes

AGENDA

1. Call to Order and Roll Call
2. Approval of November 14, 2006, Meeting Minutes

AUDITS

Information
Larry Jensen

Information
Larry Jensen

Action
Larry Jensen

3. Chief Auditor's Report
4. Office of Audit Services Quarterly Status Report
5. Draft Stand Alone Report on the Savings Plus Deferred Compensation Program Investment Options Managed by CalPERS for the Year Ending June 30, 2006

COMPLIANCE

Information
Phyllis Miller

6. Compliance Office Report

PLANNING

Action
Kami Niebank

7. 2006-09 Three-Year Business Plan (Semi-Annual Update)

INFORMATION TECHNOLOGY SERVICES

Information
Gene Reich

8. Information Technology Services Status Report

BUDGETS

Action
Russell Fong

9. Fiscal Year 2006-07 Mid-Year Budget Revisions
(First Reading)

Information
Lyn Vice

10. Current Budget Issues

DIVERSITY

Information
Lindy E. Plaza

11. Small Business and Disabled Veteran Business Enterprise
Contract Participation, 2005-06 Annual Report

ADMINISTRATIVE SERVICES

Information
John Hiber

12. Assistant Executive Officer Report

Information
John Hiber

13. Proposed February 2007 Agenda

14. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

HEALTH BENEFITS COMMITTEE

December 19, 2006

9:30 a.m.

**or Upon Adjournment or Recess of the Benefits and Program
Administration Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Philip Angelides
Marjorie Berte
Rob Feckner
David Gilb
Tony Oliveira
Charles Valdes
Steve Westly

AGENDA

1. Call To Order And Roll Call
2. Approval of November 14, 2006, Health Benefits Committee Meeting Minutes
- Information/Terri Westbrook 3. First Reading – Update on Blue Shield of California's Exclusive Provider Organization and Direct Contract Counties
- Information/Terri Westbrook 4. First Reading – Blue Shield of California's HMO High Performance Network Option for 2008
- Information/Richard Krolak 5. 2006 Second Quarter Self-Funded Health Plans Financial Report
- Action/Richard Krolak 6. Approval of 2007 Long-Term Care Application Period (April 1, 2007 through June 30, 2007)
- Action/Ken Marzion 7. Public Hearing and Approval of Regulations Regarding Prefunding Plan for Health Care Coverage for Annuitants

- | | |
|-----------------------------|---|
| Information/Terri Westbrook | 8. Assistant Executive Officer Report |
| Information | 9. Proposed Agenda for February 21, 2007, Health Benefits Committee Meeting |
| Information | 10. Public Comments |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

December 20, 2006

9:00 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

MEMBERS

Rob Feckner, Chair
Robert F. Carlson, Vice Chair
Philip Angelides
Marjorie Berte
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly
Charles Valdes

AGENDA

CLOSED SESSION Chief Executive Officer's Briefing on Performance and Personnel
8:00 A.M. Issues
(Gov. Code secs.
11126(a)(1) and
(g)(1))

OPEN SESSION
9:00 A.M. OR UPON ADJOURNMENT OF CLOSED SESSION, WHICHEVER IS
LATER

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Approval of the November 15, 2006 Meeting Minutes

- | | | |
|-----------|-----|---|
| Mr. Mixon | 19. | General Counsel's Report
A. Monthly New Case Report
B. Assignment Matrix |
| Mr. Mixon | 20. | Interview and Selection of Board's Fiduciary Counsel
TIME CERTAIN: 10:30 a.m. |

Other

- | | | |
|----------------|-----|--|
| Mr. Feckner | 21. | Board Travel Approvals |
| Mr. Buenrostro | 22. | Draft Agenda for February 21, 2007 Meeting |
| | 23. | New Business Agenda Setting |
| | 24. | Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.



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Date: December 5, 2006
Reference No.:
Circular Letter No.: 310-079-06
Distribution: I, IIA, IV, V, VI, X, XII

Special:

Circular Letter

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION'S
COMMITTEES

Performance and Compensation Committee

Date and Time: Friday, December 15, 2006, 9:30 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

R Street Subcommittee

Date and Time: Friday, December 15, 2006, 10:00 a.m. or upon adjournment or recess of the
Performance and Compensation Committee Meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held pursuant to Government Code sections 11126 (c)(16) and
11126(e) (Item 4 only) to discuss potential litigation and settlement matters (Headquarters
Building)

Policy Subcommittee of the Investment Committee

Date and Time: Friday, December 15, 2006, 10:30 a.m. or upon adjournment or recess of the
R Street Subcommittee, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Items scheduled for the public sessions of the meetings are listed on the attached
agendas. This information is also available on the CalPERS website at
www.calpers.ca.gov. Questions pertaining to the meetings December be directed to
Lanette Hunt at 916/795-3829.

FRED BUENROSTRO
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

PERFORMANCE AND COMPENSATION COMMITTEE

December 15, 2006

9:30 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Tony Oliveira, Vice Chair
Philip Angelides
Robert F. Carlson
David Gilb
Kurato Shimada
Charles Valdes

AGENDA

OPEN SESSION

- | | |
|---------------------------|---|
| | 1. Call to Order and Roll Call |
| | 2. Approval of the September 11, 2006 Performance and Compensation Committee Meeting Minutes |
| Action/Chris O'Brien | 3. First Quarter Status Reports on Performance Plans of the Chief Executive Officer, Chief Actuary, Chief Investment Officer and his Direct Reporting Staff |
| Information/Chris O'Brien | 4. Changes in Senior Portfolio Manager and Portfolio Manager Performance Plans |
| Information/Chris O'Brien | 5. 2006-2007 Performance Plan for Recently Appointed Portfolio Manager, Real Estate (FIRST READING) |
| Action/Chris O'Brien | 6. Proposed 2007 Committee Annual Meeting Calendar |
| Information/Chris O'Brien | 7. Human Resources Division Report |

Information/ Chris O'Brien

8. Proposed February 2007 Agenda

9. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**R STREET SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

December 15, 2006

10:00 a.m.

**Or Upon Adjournment or Recess of the
Performance and Compensation Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Room 1140
Sacramento, CA

COMMITTEE MEMBERS

Charles Valdes, Chair
Robert F. Carlson, Vice Chair
Priya Mathur
Tony Oliveira
Kurato Shimada
Ronald Alvarado, Advisor to Subcommittee

AGENDA

CLOSED SESSION

(Government Code
Section 11126(c)(16) and
11126(e)(Item 4 only))

- | | |
|-------------|--|
| | 1. Call To Order and Roll Call |
| Action | 2. Approval of the August 11, 2006, Closed Session Meeting Minutes |
| Information | 3. Real Estate Update on R Street Residential Development |
| Information | 4. Potential Litigation and Settlement – Headquarters Building |

OPEN SESSION (Immediately Upon Adjournment or Recess of Closed Session)

- | | |
|-------------|--|
| | 1. Call To Order and Roll Call |
| Action | 2. Approval of August 11, 2006, Open Session Minutes |
| Action | 3. Subcommittee Meeting Dates for 2007 |
| Information | 4. R Street Manager's Report |
| Action | 5. Proposed Agenda for March 9, 2007, R Street Subcommittee Meeting |
| Information | 6. Public Comment |

NOTE: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this committee may be brought to the Investment Committee at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**POLICY SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

December 15, 2006

10:30 a.m.

**or Upon Adjournment or Recess of the
R Street Subcommittee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Room 1140
Sacramento, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Marjorie Berte, Vice Chair
Robert F. Carlson
Tony Oliveira
Charles Valdes

AGENDA

- | | |
|---------------------------|--|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the October 16, 2006 Meeting Minutes |
| | 3. Fixed Income Policy |
| Action / E. Busay | a. Repeal of Foreign Exchange Transactions |
| | 4. Equity Policies |
| Action / D. Johnson | a. Revision of Global Proxy Voting Policy, Corporate Governance Core Principles and Guidelines, and Global Corporate Governance Principles |
| Action / D. Johnson | b. Revision of Representation on Corporate Boards of Directors |
| Information / M. Cottrill | c. Monitoring of Relaxed Long-only Domestic Equity Strategy – Externally Managed Policy |
| | 5. Total Fund Policies |
| Action / R. Roth | a. Adoption of Annuitants' Healthcare Coverage Fund |
| Action / R. Read | b. Adoption of Commodities Program |
| | 6. Administrative |
| Information | a. Proposed February 2007 Agenda |
| | 7. Public Comment |

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.